

Local Option Sales Taxes for Transportation

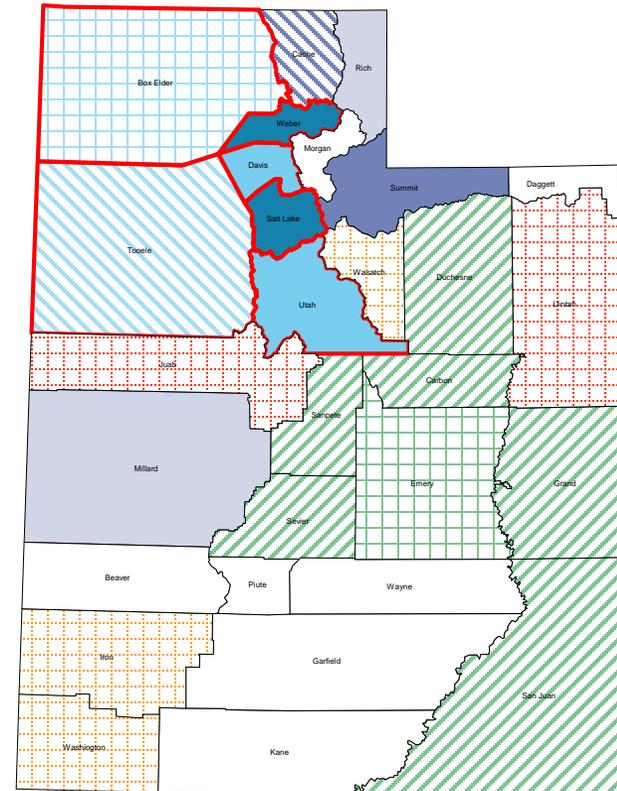
TRANSPORTATION AND TAX REVIEW TASK FORCE

AUGUST 16, 2018

Current Local Option Impositions

There is currently a “patchwork quilt” of local option impositions throughout the state.

- County vs. City
- Transit vs. No Transit
- Disparate funding levels in UTA district
- County of the First Class Highway Projects Fund
- UTA debt obligations



-  4 Impositions, Countywide; UTA
-  3 Impositions, Countywide; UTA
-  3 Impositions, 2 Countywide and 1 in Some Cities; UTA
-  2 Impositions, Some Cities; UTA
-  3 Impositions, 2 Countywide and 1 in Some Cities; No transit
-  4 Impositions, 3 Countywide and 1 in some cities; Other Transit
-  1 Imposition, Countywide; No transit
-  2 Impositions, 1 Countywide and 1 in Some Cities; Other Transit
-  2 Impositions, 1 Countywide and 1 in Some Cities; No transit
-  1 Imposition, Some Cities; No transit
-  1 Imposition, Some Cities; Other Transit

Current Impositions

Local Option Transportation Sales Tax in UTA's Service Area								
County	Mass Transit Tax (0.25% or 0.30%)*	Additional Mass Transit Tax (0.25%)	Mass Transit Fixed Guideway Tax (0.30%)	County Option Transportation Tax (0.25%)	County Airport, Highway, Public Transit Tax (0.10% or 0.25%)	4th Quarter (0.25%)	Supplemental State Sales & Use Tax (0.05%)	Local Option Transit (Up to 0.20%)
	1st "Quarter"	2nd "Quarter" Option	2nd "Quarter" Option	3rd "Quarter" Option	3rd "Quarter" Option	4th "Quarter"		5th "Quarter" (if all 4 Quarters imposed)
	MT UCA 59-12-2213	MA UCA 59-12-2214	MF UCA 59-12-2216	CT UCA 59-12-2217	HH UCA 59-12-2218	UCA 59-12-2219	SM UCA 59-12-2203	UCA 59-12-2220
Weber	0.25% (eligible for 0.30%)	0.25%	Ineligible	0.25%	Ineligible	0.25%	0.05%	Eligible
Davis	0.25% (eligible for 0.30%)	0.25%	Ineligible	Eligible	OR Eligible	0.25%	0.05%	Currently ineligible
Salt Lake	0.30%	0.25%	Ineligible	0.25%	Ineligible	Effective 10/1/2018	Ineligible	Eligible
Utah	0.25%	Ineligible	0.30%	Ineligible	0.25%	Eligible	Ineligible	Currently ineligible
Tooele (six cities)	0.30%	Eligible	Ineligible	Effective 10/1/2018	Ineligible	0.25%	Ineligible	Currently ineligible
Box Elder (three cities)	0.30%	0.25%	Ineligible	Eligible	Ineligible	Eligible	Ineligible	Currently ineligible

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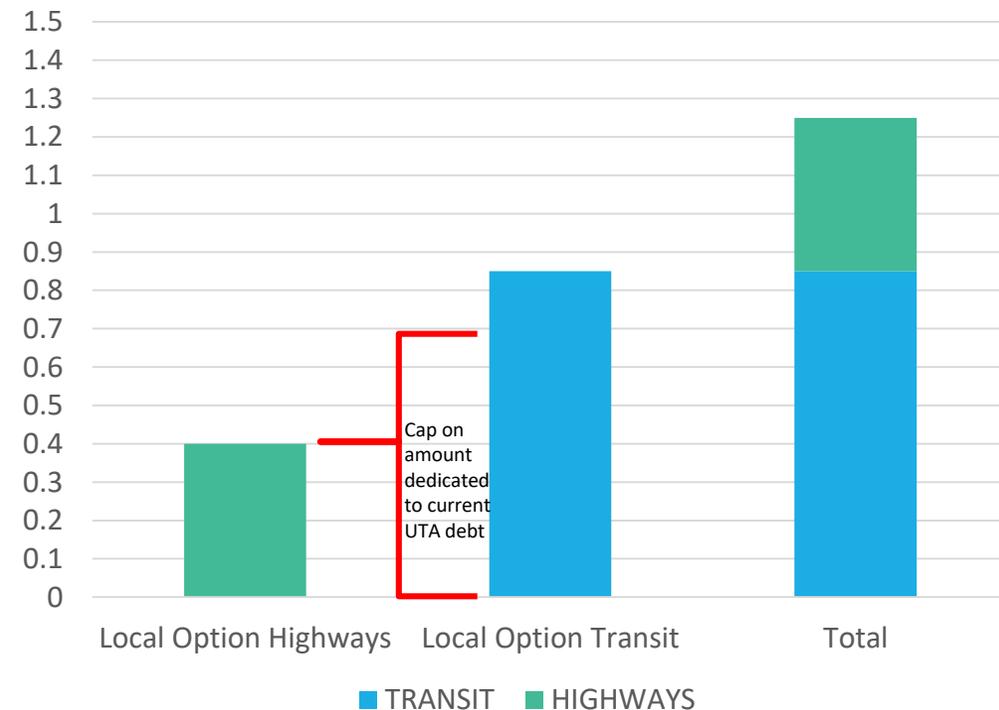


Potential Solution

Goals:

- “Clean up” and simplify the current local options
 - Amend current statutory language
- Generate consistent, sufficient, revenue for public transit in the UTA footprint
 - Also create simplified options for counties outside of UTA footprint that have, or may have, transit options.
- SB 136 created headroom for additional local revenue generation for highways and transit
- Create a reformed authorization for a single local option sales tax for transportation
 - Up to 0.40% for highways (with flexibility to use for transit)
 - Up to 0.85% for transit
 - Cap on UTA debt service of 0.70%

Potential Transportation Sales Taxes



Key Points/Discussion

Amend current local options

- Single authorization for local option at 1.25%
 - Simplified
 - Restrictions on Expenditures of Local Options
 - Up to 0.45% for Highways (with flexibility to use on transit)
 - At least 0.85% for Public Transit
 - 0.70% For debt service of current UTA obligations
 - Money generated for roads from imposition of the new local option would be split between cities and counties
- Questions
 - How to treat counties outside of UTA district
 - Will counties in UTA district to impose remaining authorization?
 - Current obligations

